Government of Saskatchewan

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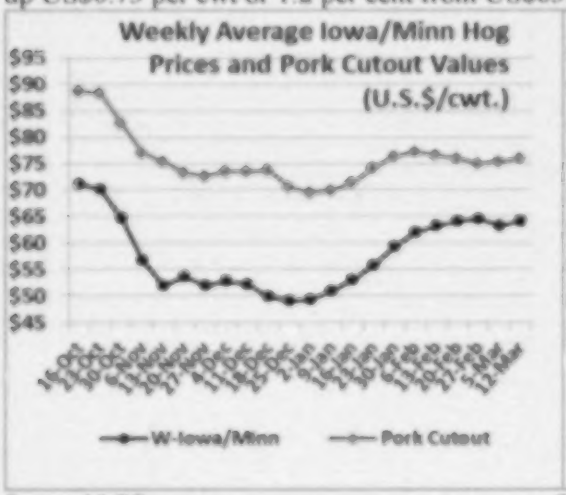
Weekly Hog Report

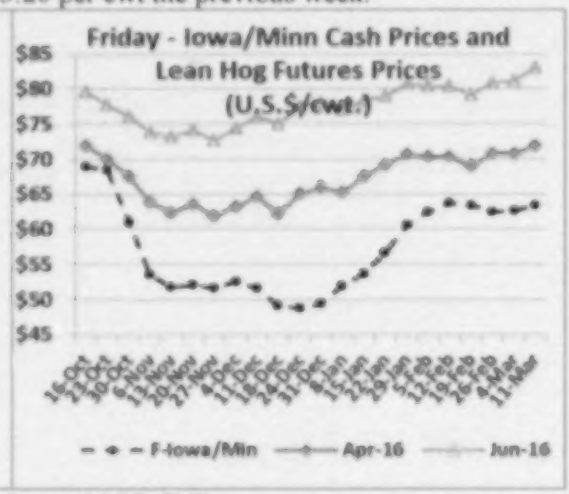
March 14, 2016

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) moved higher by mid-week before declining Friday but still ended the week higher, week-over-week. Hog prices on Friday March 11 averaged US$63.45 per cwt, up US$0.85 per cwt from US$62.60 per cwt the previous Friday. The negotiated base price last week averaged US$63.93 per cwt, up US$0.73 per cwt or 1.2 per cent from US$63.20 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

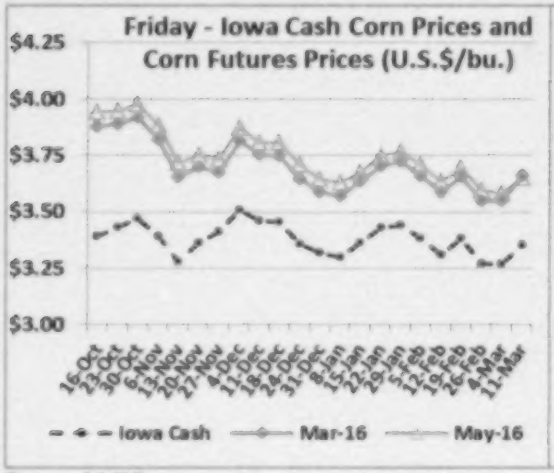
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday March 11, 2016 was $159.19 per ckg, up $4.05 per ckg or 2.6 per cent from $155.14 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $155.04 per ckg, down slightly from the previous weeks' average price of $155.36 per ckg. The Canadian dollar continued higher on stronger financial markets last week and closed Friday at 75.58 cents, up 0.53 cents from 75.05 the previous Friday.

Futures Markets

United States lean hog futures daily prices were primarily higher over the week with good gains on Wednesday to end the week higher, week-over-week. The nearby April 2016 contract increased US$1.025 per cwt last week to settle Friday at US$71.825 per cwt, while the June 2016 contract increased US$1.850 per cwt to settle Friday at US$83.075 per cwt. The April contract settled Friday over US$8 per cwt higher than current cash slaughter weight hog prices, while the June lean hog futures contract settled close to US$20 per cwt higher than the cash prices.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were lower last week. Weighted average cash prices for iso-weans (12lb) last week were US$45.81 per head, down US$3.89 per head from US$49.50 per head the previous week. Feeders (40lb) were US$74.80 per head, down $4.25 per head from US$79.05 per head, the previous week.



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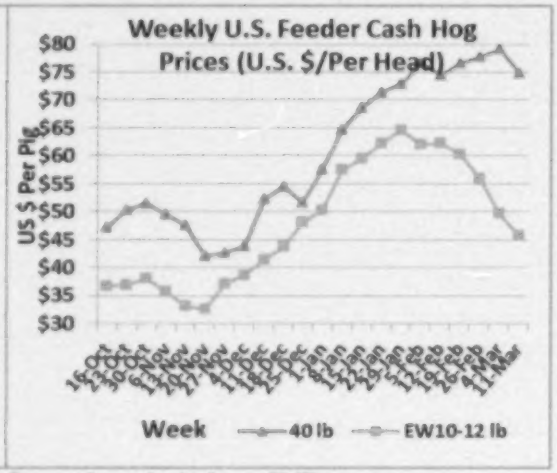

Source: Iowa Agriculture, CME

U.S. corn prices were higher last week. Iowa cash corn prices increased eight cents per bushel to settle Friday at US$3.35 per bushel. U.S. daily corn futures prices were primarily higher over the week and ended the week higher, week-over-week. The March 2016 corn contract increased over eleven cents per bushel to settle Friday at $3.66 per bushel, while the May 2016 corn contract increased almost seven cents per bushel to settle Friday at US$3.65 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending March 12 were estimated 2.215 million head, down slightly from 2.220 million head the previous week, and down 0.5 per cent from 2.226 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending March 12 averaged 2.233 million head per week, down 0.4 per cent from 2.243 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending March 5, 2016 were estimated at 397,446 head, down 4.4 per cent from 415,507 head the previous week, and down 5.3 per cent from 419,578 head the same week a year ago. Canadian hog slaughter numbers over the last eight weeks averaged 419,609 head, down 0.5 per cent from 419,578 head over the same eight weeks in 2015.

In Western Canada, hogs slaughtered over the week ending March 5, 2016 were estimated at 163,554 head, down 4.7 per cent from 171,679 head the previous week, and down 5.3 per cent from 172,634 head the same week a year ago. Hog slaughter numbers over the last four weeks averaged 165,304 head, down 1.3 per cent from 167,533 head the same period in 2015.

Meat Production

U.S. pork production for the week ending March 12, 2016 was estimated at 470.8 million lb., down slightly from 471.6 million lb. the previous week, and down 1.1 per cent from 476.2 million lb. the same week a year ago. Pork production over the last four week's ending March 12 was estimated to average 474.6 million lb., down 1.2 per cent from 480.5 million lb. over the same four week period a year ago.

U.S. beef production for the week ending March 12 was estimated at 441.8 million lb., up 0.4 per cent from 440.1 million lb. the previous week, and up 2.7 per cent from 430.1 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending March 5, 2016, was estimated to average 2.017 billion lb., up 3.0 per cent from 1.958 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2016 is estimated to be up about 2.3 per cent compared to the same period in 2015.

United States Weekly Meat Production

(Mar. 4) Four Week Average - Million Lb.			Percent Change	
	2015	2016	4 Week	YTD 2016
Pork	480.8	477.9	-0.6%	0.6%
Beef	433.8	442.4	2.0%	2.4%
Chicken	918.5	971.2	5.7%	3.6%
Turkey	124.6	125.6	0.8%	-0.1%
Total	**1,957.7**	**2,017.1**	**3.03%**	**2.34%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending March 12, 2016 averaged US$76.05 per cwt, up US$0.81 per cwt or 1.1 per cent from US$75.24 per cwt the previous week, and up 11.3 per cent from US$68.31 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending March 12, 2016 averaged US$222.96 per cwt, up 1.7 per cent from US$219.22 per cwt the previous week, but down 9.6 per cent from US$246.59 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending March 12, 2016 averaged US$102.49 per cwt, up 0.5 per cent from US$101.99 per cwt the previous week, and down 25.3 per cent from US$137.16 per cwt the same week a year ago.

For more information contact:

Brad Marceniuk, PAg, MSc, BSA
Provincial Livestock Economist
(306) 933-5098
brad.marceniuk@gov.sk.ca